

AUTO COLLISION REPAIR LICENSING ADVISORY BOARD

Meeting Minutes of April 28, 2010

Members present: Dave Reynolds, - Chairman, Independent Repair Member

Richard Berstein, Legal Counsel – DBR Member

Tom Broderick, DBR Member

Scott Wendel, Insurance Member

Gerry Galleshaw, Public Member

Others present: Jina Petrarca-Karampetsos, Providence Auto Body

Randy Bottella, Reliable Collision

Larry Alan, Nationwide

William Burke, Progressive

Kim Precious, DBR

Shane Nelson

Members absent: Dennis Gamba, Direct Repair Member

Dave Doucet, Law Enforcement member, RISP

Chris Hurd, New Car Dealer Member

Dan Coleman, Auto Glass Industry Member

MEETING CALLED TO ORDER AT 10:40 A.M.

Dave Reynolds: First order of Business: The minutes of February meeting, do all approve? Any questions? Motion to approve by Richard Bernstein, Seconded by Dave Reynolds, All in favor.

Regulation 4

Richard Bernstein: Regulation 4 is still in the sub-committee, but once we can get the language, and it is agreed upon, it is hopefully not going to be more than 60 to 90 days to get it heard.

Larry Alan: I will try to get it to everyone before the next meeting so they can look at it. I will e-mail them to Kim.

Regulation 15 – Appraisal conduct

RB: We received an inquiry about the right to inspect before liability is made. I also had another inquiry but without a pattern or practice. I have received several calls for informal clarification. There have been times when I brought an insurer and a shop together. When we are done with regulation 4, we could take a fresh look at 15.

LA: The issues we could not come to agreement on, are not in 15. Are you suggesting that with the passage of time, we need to re-visit and come to some conclusions?

DR: Asked insurers in the room if there were any questions on Reg

15. Basically it is working well.

Bill Berke: Couple of problems, but yes working well.

LA: I have noticed from our company less chatter from the field.

DR: We will make notes and keep it for a further date when we get done with Regulation 4.

Regulation 5 – Glass

RB: Regulation 5 -Glass. Since Regulation 5 is modeled after Regulation 4, for housekeeping it would be helpful, if we were going to amend 4, that we incorporate the changes into 5 at the same time.

DR: We constantly have conflict with the Glass people on Regulation 5, they are absent from these discussions too. Half of them do not want to pay for their licenses anymore.

RB: DBR has been on a campaign through Tom visiting glass shops all through the state that are not licensed. The glass repairers believe that they are free from regulation and that is not the case. When 5-38 was amended it said the board represents glass installers/repairers and our regulation defines glass installation to include repairing.

Tom Broderick: I was given a list of 46 auto body and glass places to

go out to that had not renewed. As I went out to some of these shops, I was told of others that might not be licensed. I have been out to every one now. It is difficult to find the mobile guys. But one of the brick and mortar places had a sign that said: auto, home, and commercial, he agreed to take auto off his sign. One other said all he repaired was the bulls- eyes. He said well I don't need to be licensed. I said yes you do. Kim sent letters to mobile guys.

RB: Note to the insurance industry: you are not supposed to be utilizing the services of any unauthorized facility. It should be part of your due diligence that when you are getting a windshield repaired or in any way replaced ask for some type of license. I think word is getting out. That industry has to do a better job at policing itself.

LA: The thing is Richard, how do you get notice out to people who are not licensed. These guys who are not licensed are not members of any associations.

RB: This is a small state and groups talk.

LA: It is an opportunity for Commercial Licensing to work with the insurance industry and maybe do a bulletin. Send notice to licensed glass shops.

RB: I suggested a bulletin.

TB: One of the unlicensed body shops I went out to was because an appraiser had gone out there and realized that the business owner was not licensed for that purpose. He is in the process of getting licensed now.

LA: How do we know if they are licensed? Is there a list of licensed glass shops and licensed body shops?

DR: Yes.

Scott Wendel: There are several national vendors that are not licensed.

RB: We will take all referrals. It is in everybody's interest that this industry gets licensed.

Randy Bottella: We had previous discussions about creating a whole separate regulation for glass.

RB: Right now it's Reg 5.

Randy: In a previous discussion the glass companies mentioned they wanted to participate in this and they have done nothing.

RB: When Regs 4 & 5 are amended there will be a notice and they will have an opportunity to comment.

Randy: When Reg 4 was originally written, it included glass installation.

RB: Would it be more efficient to amend Reg 4 and repeal Reg 5 and put glass in Reg 4? I would ask the sub-committee to take a look at it.

DR: I think that is something that the Board should discuss right in the open.

LA: You have to get the glass guys involved. If you are going to change things, that's only fair. Are you going to have glass people involved on a sub-committee?

JPK: I agree with Larry it may help DBR as far as notice issues. Maybe glass belongs in glass. They might not want to participate in any meetings but as soon as this goes up for hearing they are going to come in.

RB: The other thing that we could do is the Board could make a resolution to contact our glass member and say that the board has discussed glass and as a representative of the glass industry does he want to take the first stab at redoing 5?

LA: Ask him to form a sub committee.

RB: That way if we empower our glass member to basically lead the charge, the glass people will be part of the solution. Board can send letter expressing regrets he didn't attend last meeting.

DR: I will contact Dan.

Renewal updates

Kim Precious: Right now we have 253 Body Shops licensed and 13 glass shops. It changes every day. As shops renew, they are put on the active list.

LA: The labor rate survey has to be conducted this year and we have to rely on that list as of April 1. I noticed when I looked at the list it had not been updated.

RB: What the insurance people could do with 108 is ask for a list from commercial licensing.

KP: I did get one request by e-mail and John Morrisette did make an updated list in excel form. It was for an insurance company.

LA: That list is so crucial for so many reasons. Not only for the labor survey but also for the issue of consumer choice.

Randy: To reconfirm you said you had 253 licensees. Are those the

ones who filled out the paper work, met the criteria and got everything out in time?

KP: Not all of them were in on time. They have been ongoing. In March there were 241 and now in April it is 253.

Motor Homes/RV's

DR: While we are on the subject of licensing we might as well role right into motor home and RV's. They have to be licensed.

KP: I have a list of about 6 shops that I have got from the Internet that I noticed with RV in their titles. We could have Tom go out and see what type of work they are doing. One of the RV's argument is why do I need to be licensed when none of the other shops have to be licensed and they did not send in their renewal. Another issue is what type of license do they fall under.

RB: Do we have a list of RV licensees?

KP: Right now there are no shops licensed that mention RV or motor home in their title.

RB: So technically if an insurance company is insuring an RV and it has body damage it cannot be fixed at an RV place because they are not licensed.

RB: It is an important issue because an unlicensed RV place can't repair an RV.

Randy: There is one, but I think it is a full collision repair place. Possibly two.

RB: So the question is are the RV places going to be licensed through full collision repair or special use.

Randy: Or limited heavy truck.

DR: They are six wheelers. They need huge spray booths.

TB: I have one and told them that that is the license type they needed and they said no. They talked with Kim and Maria I believe.

KP: No they did not talk to Maria just me. They are not sending in their renewal until they hear from the Department if they need a license or not, and which kind.

RB: Well they do.

TB: They had a Special Use license and since then the Heavy Truck license came into existence and they argued with me. They said we do not need it.

DR: It has to be a special use license to repair them. There is carpentry work and sheet metal, but it is traveling down the highway.

Randy. That is why we did not put in a lot of the requirements for the collision repair because they did not apply.

TB: Do you think they should be called in?

RB: Well the question is should all RV and motor home shops need to have a heavy truck license.

Randy: Only if they are doing the bodywork.

RB: Do they outsource the work?

Randy: I know they send stuff to me.

JPK: Does the one who was licensed have a special use license because they were licensed prior to the regulation being in effect?

Randy: It was probably nine years ago.

KP: One of the arguments they made was not all of the RV's are that heavy, so would it fall under heavy truck?

JPK: If you are doing bodywork then you need some type of license.

Randy: The original reason to license them was because they were self-propelled and registered. Now there are instances where there are vehicles that are registered but are towed.

JPK: But limited truck includes trailers. Requirements for limited heavy trucks include welding equipment. My concern is if you put all RV's under special use you will have to make a list of the requirements because under special use there are not any.

Randy: It had no specifications when it was given. Not to my knowledge.

DR: I have all the originals.

LA: I understand a special use license is given to a shop for what that shop is doing. So if you given special use licenses for RV repair, it better stay that way.

JPK: The special use was created before this regulation was changed. My question is do they have grandfather rights? My understanding is if we change the requirements for fully licensed collision requirements and all the collision shops had to come up to standards other than the space requirements because of the grandfather portion. Why are RV shops different?

RB: If there were grandfather rights, they lost it by not renewing on time.

TB: If a RV company has a special use license and someone comes in with a bus that weighs over 24,000 lbs. can they legally work on it?

RB: No, because a special use license was restricted to body work on RV's and motor homes.

Randy: You have a special use that existed before a complete revamp of Regulation 4. I only recall circumstance where Jeanne McCarthy said these people absolutely have to be licensed but their business format does not fit into the criteria that was there already, so they gave them a license but acknowledged that they were deficient to meet the normal criteria. It certainly is not matching current special use.

DR: It is a public safety issue. We just can't have anybody slapping together a vehicle as big as a bus flying down the road at 65 miles an hour.

RB: On my other boards when there is unlicensed activity before we start a formal administrative process, we invite them in to appear before the board. So we could do that at the next board meeting. Then we go from there.

DR: Absolutely.

Old Business:

DR: Asked if there were any other questions on agenda regarding Old Business?

KP: I have question on Certified Technicians. The customization and special use licensees- Do they need to have certified technicians?

Randy: Yes they do have to have a certified technician in the areas on which the work is perform.

LA: It depends on the wording.

DR: When they take these antique vehicles and restore them they are actually taking parts of the body and frames and welding. These cars go on the road. Someone has to be certified. Someone has to have the knowledge to certify that they understand what they are doing.

KP: Is there a glass certification?

Randy: No. As far as certification for glass, that is one of the

stumbling blocks that we had come across when we talked about if we are going to redo the glass section.

DR: If you are dealing with any type of stationary glass of a vehicle, the technician has to understand why he is doing it.

RB: If we do a bulletin for technicians, let's include certification so the licensees are not caught off guard in 2012. When you contact the glass representative, you should let him know as well.

LA: Can I recommend that the Board review the language of that certification so we can accurately answer Kim's question.

DR: Absolutely.

KP: I also have a problem with Garagekeepers legal liability. \$100,000. Many shops and insurance agencies did not know about the requirement. The garagekeeper's liability is different from the garage keeper's legal liability. Many licensees either never knew they needed it or don't carry enough.

Randy: They should know since it is in the Reg. When we set that figure, it was for minimum standards. When it first came out it was a million and people complained and was brought down. Any decent operation is going to have at least a half a million.

JPK: You could have 10 cars worth \$10,000 each.

DR: You could have one car in your shop worth \$50,000. Why would you want to put yourself in that kind of predicament?

RB: If you want, I'm on the Governor's Insurance Counsel. I always have my 2 minutes to say what I want. I can bring that up to them at the next meeting to all the agents around the table reminding them they need to make sure if they are insuring any auto body shop, the shops need to have legal liability of at least \$100,000.

DR: Any other questions on anything we discussed today. Motion to adjourn. RB, Second, All in Favor. 11:50 meeting adjourned.